

18 your second reason why we shouldn't be allowed to  
19 collocate these cards, and that's that you are saying  
20 it's not a means by which you can access UNEs or  
21 interconnect with a network, right?

22 A. Yes, sir.

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1 Q. What if the Commission decides that it  
2 wants to declare a sub-loop and that sub-loop runs --  
3 is copper running from the RT back to the customer  
4 premises? That's a possibility, right?

5 A. Well, that would be different from the  
6 interpretation that the FCC gave that a copper  
7 sub-loop has to have a point of access at each end.

8 Q. We will get to the point of access, but  
9 just the run from the premises to the RT on copper,  
10 that could be a sub-loop, right?

11 A. Let me ask you, do you mean also  
12 including the wiring that goes through the back plain  
13 of the NGDLC or remote terminal all the way to the

14 connector where the card gets plugged in; is that what  
15 you are talking about?

16 Q. Why not? That could be a sub-loop,  
17 right?

18 A. Well, if this Commission has performed a  
19 necessary and impair standard to establish that that  
20 is an unbundled sub-loop, then I suppose it could do  
21 that, again, I suppose, subject to whatever appeal SBC  
22 thinks might be necessary.

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1 Q. What if the Commission also defined the  
2 second sub-loop to go from where the card plugs in  
3 through the DLC across the fiber and back to the OCD  
4 port? Could it do that?

5 A. Yes, but my answer would be the same as I  
6 just --

7 Q. Okay, fair enough. And if it defined  
8 those two sub-loops, couldn't Rhythms access those

9 sub-loop blocks by plugging in an ADLU card?

10 A. If those sub-loops are defined that way,  
11 yes, they could access them with that card.

12 Q. Thank you. You also take issue at page  
13 24 with CLEC ownership of these cards; is that right?

14 A. Actually, I thought our previous  
15 conversation was also dealing with CLEC ownership as  
16 well.

17 Q. It could be virtual collocation, right,  
18 where we sell it to you for a dollar and you own it?

19 A. I suppose if it were determined, subject  
20 to appeal, that it were collocation equipment, I guess  
21 it could be virtual collocation.

22 Q. Or it could be physical and we own it,

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1 right?

2 A. Yes, sir.

3 Q. You don't like that either?

4           A. We just don't think it's appropriate or  
5 reasonable or beneficial for the industry for all the  
6 CLECs, all the individual CLECs, to own those cards.

7           Q. And you say that the ADLU card is not  
8 necessary on page 24, line 15, to access UNEs, don't  
9 you?

10          A. Well, understand our disagreement on  
11 what's a UNE. In other words, given that basic  
12 disagreement, yes, it's not necessary to access those  
13 UNEs or it's not necessary to access UNEs that are  
14 available today because it physically can't.

15          Q. If the Commission defined the two  
16 sub-loopings, as I just asked you to assume with me,  
17 it would be necessary to access those, wouldn't it?

18          A. Under your hypothetical situation where  
19 all the appropriate and necessary and impair analyses  
20 were performed and sustained under any potential  
21 appeals, yes.

22          Q. Boy, there sure are a lot of appeals that

1 will be coming here. You are very careful to preserve  
2 -- you should be a lawyer.

3 A. That's what my wife says, too.

4 Q. I grant you you have the right to appeal;  
5 you don't have to say that every time.

6 A. Okay, just assume that I have said it  
7 each time.

8 Q. It will be shorter that way. Well, what  
9 if you wanted to say, okay, all right, all right, I  
10 will own the card and I will give you a UNE, the two  
11 sub-loopings but I will own the card. Do you think  
12 that you should be able to charge us whatever you want  
13 to for that card?

14 A. I believe we have already committed that  
15 the Project Pronto architecture would be made  
16 available to CLECs based on UNE pricing or TELRIC  
17 pricing. So I don't think we would be charging  
18 whatever we want to for that card. It would be  
19 whatever the study would show.

20 Q. All right. But if we own the car, we  
21 control how much we pay for it, right, since we are

10-16 pp 21-355 00-0393  
22 buying it from the vendor?

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1 A. Well, under that hypothetical, yes, it  
2 would be whatever purchase arrangement you have with  
3 that vendor.

4 Q. And what if you want to use the kind of a  
5 card that Alcatel supports and sells it to us, but we  
6 don't want you to use it for AADS? If we had the  
7 right to put our own card in there, we could use it,  
8 right?

9 MR. BINNIG: I am going to object to the  
10 phrasing of the question. I don't think there has  
11 been any establishment that Ameritech Illinois decides  
12 what AADS -- what it wants to use for AADS.

13 MR. BOWEN: I don't think I said that. I  
14 will rephrase it.

15 Q. What if we want to buy a card from  
16 Alcatel that they sell and support but that AADS does

17 not want to use? That would be okay, right, as long  
18 as Alcatel supports it?

19 A. If it does not cause any detriment to the  
20 capacity of our platform or the quality of the service  
21 provided to other CLEC's end users, including perhaps  
22 your own.

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1 Q. Okay. Fair enough. We have been through  
2 that discussion already. Okay, page 25. You had one  
3 more problem with our owning the cards. It might  
4 somehow exhaust the capacity of the slots?

5 A. Yes, sir.

6 Q. The ADLU card you are talking about has  
7 four line appearances per card, right?

8 A. It will.

9 Q. It has two right now?

10 A. Two now, correct.

11 Q. Four soon?

12 A. We hope.

13 Q. How many appearances on a regular old  
14 POTS card.

15 A. I am thinking it's eight, but it might be  
16 four now, eight later. I can't remember for sure.

17 Q. Well, what you are saying here is, well,  
18 gee, if we own the card and we put it in, there could  
19 be like 75 percent of capacity not used, right?

20 A. If a CLEC has only one customer to a  
21 particular SAI, because a given card cannot serve  
22 multiple SAIs because its pre-wired from the back of

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1 the RT out to a given SAI, if a CLEC has only one  
2 customer in that SAI, if we are talking about the four  
3 port card, then yes, three of those ports could  
4 potentially go unused for a very long time.

5 Q. But isn't this really an issue of the  
6 last card that the CLEC puts in? For example, if the



7 CLEC has 14 customers -- lawyer math approaching -- it  
8 has 14 customers and the card has the capacity of  
9 four, that's three cards plus two ports on the last  
10 card, right?

11 A. Yes, sir, that's correct.

12 Q. And if a CLEC has 30 customers, that's  
13 seven cards and the last card has only two out of four  
14 used; is that right?

15 A. Yes, sir, but if there are ten CLECs out  
16 there that have some unused port capacity on their  
17 last card -- and, of course, as I said, these  
18 individual cards go to different SAIs and if there are  
19 different types of cards, if you have an ADSL card  
20 port some days and an XYZ card that has four ports,  
21 there is just the potential for a lot of unused ports.

22 Q. But it's the last card issued that we are

1 talking about here, right?

2 A. The last card --

3 Q. When will the last card be fully occupied  
4 by that CLEC?

5 A. By that CLEC to that SAI in that type of  
6 card.

7 Q. Okay, fair enough.

8 EXAMINER WOODS: Isn't the same thing true  
9 for Ameritech, encouraging Project Pronto?

10 THE WITNESS: Yes, it's true. But with more  
11 CLECs you potentially get many more slots that are  
12 unused.

13 EXAMINER WOODS: The same thing happens with  
14 Ameritech.

15 THE WITNESS: To a lot lesser quantity  
16 degree, though, is what our position is, Your Honor.

17 MR. BOWEN:

18 Q. Okay. Next problem, page 26. We have to  
19 give you an inventory of cards to put in if we use a  
20 virtual approach, okay.?

21 A. For maintenance purposes, yes.

22 Q. Okay. We will do it.

1           A. Oh, I'm sorry. Let me clarify your  
2 question, if I may. Do you mean for actual service  
3 provisioning or do you mean for maintenance spares or  
4 which were you talking about?

5           Q. Both. If we want to use a virtual  
6 collocation paradigm, we will say here is a bunch of  
7 cards. Actually, they are all the same card. They  
8 are Alcatel ADLU cards. You know, put them on your  
9 trucks, roll around with them for maintenance spares,  
10 take them out of the warehouse when you have got to do  
11 another deployment job, we will keep you current.

12          A. Mr. Bowen, I guess the complexity I am  
13 trying to express here is, if you have multiple CLECs  
14 owning their cards, maybe not all CLECs want virtual  
15 collocation, some may want physical. And when a card  
16 goes, a working card goes bad, the technician just has  
17 additional complexity in terms of trying to figure out

18 whose card it is, is it virtual, is it physical, do I  
19 have that one on the truck, if not how do I get a hold  
20 of one from their staging center or where ever their  
21 warehouse is. It's additional complexity to the  
22 process that need not exist if Ameritech Illinois owns

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1 the cards.

2 Q. Well, life would be simpler if we soar  
3 back to the monopoly of a single carrier, right? We  
4 are in a multicarrier environment already.

5 A. Yes, but there is no sense in trying to  
6 go out of our way to make a process more complex than  
7 it has to be to work together in a multicarrier  
8 environment.

9 Q. The next problem, page 27. We have to  
10 report to the right taxing entity for property tax  
11 purposes. Do you see that on page 27?

12 A. Yes, sir, I do.

13 Q. Okay. We will do that. Are we done with  
14 that one?

15 A. Yes, sir.

16 Q. Page 28, after all those reasons you are  
17 asked would there be any other consequences if we were  
18 to own those line cards. Do you see that question?

19 A. Yes, I do.

20 Q. And what you are saying here is, well, we  
21 have to re-evaluate a whole bunch of stuff. We had  
22 this discussion once about, if the FCC didn't approve

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1 your waiver request, you would re-evaluate the entire  
2 Pronto deployment. Do you remember that discussion we  
3 had?

4 A. No, sir, I don't. I remember you showing  
5 me the Accessible Letter for the Broadband Service.  
6 And what I explained to you was that the way we

7 defined and described that Broadband Service, that it  
8 would have to be redone and/or re-evaluated if the FCC  
  
9 did not allow us to own that equipment. That's what  
10 we talked about before.

11 Q. Well, do you see the sentence on page 24  
12 or line 24 and 25 that says, "and could delay or  
13 eliminate the continued deployment of Project Pronto  
14 in Illinois"?

15 A. Based on the economics, SBC has to  
16 evaluate what that would mean in terms of costs to  
17 SBC. SBC decided to deploy Project Pronto and that  
18 was based on an economic evaluation. And if those  
19 costs materially change, that could alter the course  
20 of Project Pronto. If the cost were not materially  
21 changed -- all I am saying is we just have to  
22 re-evaluate it. This is a basic business decision

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1 just like Rhythms itself would do if it were in this

2 type of situation.

3 Q. When you were asking the FCC for a  
4 waiver, didn't you threaten to take your ball and go  
5 home if you didn't get what you were asking for?

6 MR. BINNIG: Again, I will object to the  
7 characterization.

8 MR. BOWEN: I will re-phrase.

9 Q. Didn't you threaten to shut down Project  
10 Pronto if the FCC didn't grant your waiver request?

11 A. No, sir. I think we said we would have  
12 to re-evaluate. This whole deployment was an economic  
13 decision, not a -- I don't know, not a --

14 EXAMINER WOODS: Humanitarian?

15 A. Yes, thank you. It was not a  
16 humanitarian effort. My mental thesaurus is gone for  
17 the day.

18 Q. Aren't you doing the same thing here?  
19 Aren't you threatening to take your balls and go home  
20 if we own the cards?

21 MR. BINNIG: I object.

22 MR. BOWEN: I will re-phrase.

1 Q. Aren't you trying to say, if we own the  
2 cards, you might even eliminate the Project Pronto?

3 A. I guess I am trying to say that we would  
4 have to evaluate the economics to see if that had any  
5 impact on the continued --

6 Q. You wouldn't shut down Project Pronto,  
7 would you?

8 A. We don't want to.

9 Q. Okay. Let's talk about virtual paths on  
10 page 31. These are different than the term virtual  
11 circuits; is that right?

12 A. That's correct.

13 Q. The path is a fatter pipe, more bandwidth  
14 and you can derive PVCs within?

15 A. Yes, sir. I liken it in the circuit  
16 switch world to a trunk group.

17 Q. And now CLECs want PVPs, right? They  
18 told you that -- not you, they told SBC that, right?

19 A. They have told SBC that; they have told  
20 lots of people that.



21 Q. So you knew about that?

22 A. Yes, sir, I did.

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1 Q. You knew about that request from your  
2 customers?

3 A. And we are looking at that, as we speak.

4 Q. If SBC had PVPs, they could manage their  
5 own PVPs within that, right?

6 A. Again, it's a capacity issue. It's just  
7 like CBR quality of service. If the CLECs can obtain  
8 their own PVPs within which to manage their own end  
9 user over subscription, or whatever, with their DSL  
10 services, again it's going to be a function of how can  
11 we do this. And this is what we are trying to  
12 establish right now, is how can we do this in terms of  
13 the capacity we have got on the system. Does it  
14 require us to use more fibers as we discussed before  
15 with CBR. Are there any downside impacts on other

16 customers that are served by that shared capacity that

17 is there today. It's the same issues, Mr. Bowen.

18 Q. Fair enough. But I'm not clear about  
19 what process -- if we tell you we want it, you can't  
20 tell how we are going to get it. What's your  
21 proposal? You say you are thinking about it; how long  
22 do you have to think?

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1 A. There is collaborative types of efforts  
2 that we have committed to in the FCC docket that  
3 became part of their order and conditions for approval  
4 for us to own that equipment. We will be using those  
5 collaborative sessions, the first of which by the way  
6 is, the industry collaborative, is October 24 in  
7 Dallas.

8 Q. That's a Tuesday, right?

9 A. Yes, it is. But there are other things  
10 that we have already begun to look at is, such as CBR

11 and PVP and G.Lite and some of those types of things  
12 that are more currently available from Alcatel.

13 Q. Well, you mentioned that and you attached  
14 that Alcatel letter to the back of, what was it,  
15 rebuttal testimony?

16 A. Yes, sir.

17 Q. What is that?

18 MR. BINNIG: JPL-2.

19 Q. Could you pick that up?

20 A. Yes, sir, I have it.

21 Q. SBC didn't ghost write this letter, did  
22 they?

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1 A. I don't think it did.

2 Q. Would you turn to the back of it and look

3 at Number 2? Do you see the second sentence that's --

4 I will read it for the record. "Current development

5 plans include the addition of G.Lite DMT, TDM-based  
6 HDSL2, ATM-based HDSL2, and G.sHDSL." Do you see  
7 that?

8 A. Yes, I do.

9 Q. Now, once Alcatel makes those available,  
10 will Rhythms be able to use all of those other flavors  
11 of DSL on the Litespan platform?

12 A. Just based on the conditions that I have  
13 described in terms of capacity and impact on service  
14 to other customers that are using that shared  
15 facility.

16 Q. Okay. When you talk about the  
17 collaborative process on page 34, do you see that, and  
18 you reference that in your previous answer, page 34,  
19 line 9, rebuttal, do you see that?

20 A. Yes, I do.

21 Q. And that's the 24th in Dallas?

22 A. That's the first of the industry

1 collaborative sessions. There are two other types of  
2 collaborative opportunities for CLECs as well. There  
3 is one that's been going on already which addresses  
4 process issues and those right now, I think, are  
5 monthly meetings with the CLEC community. And then a  
6 CLEC can actually come to SBC one-on-one and request a  
7 feature or functionality. And this is all described  
8 in the FCC's Project Pronto order.

9 Q. Are you referring to the -- when you say  
10 the ones we have right now, the so-called plans of  
11 record collaboratives?

12 A. No, sir.

13 Q. Other collaboratives than that?

14 A. Well, again, just to make sure that I was  
15 clear, there is the industry-wide collaborative which  
16 is Ameritech and then other SBC ILECs and our  
17 laboratories and so forth, and CLECs, and the vendors,  
18 you know, the manufacturers, those will be quarterly.  
19 The first of those is October 24. There is  
20 collaboratives for Project Pronto that have been going  
21 on for a couple of months that get more into process,

22 specific process issues, related to ordering and so

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1 forth. And then the third opportunity that a CLEC has  
2 which is also described in the FCC's Project Pronto  
3 order because it was part of the SBC commitments, is a  
4 one-on-one opportunity. A single CLEC can come to SBC  
5 or to Ameritech, in this instance, and say I would  
6 like to use this capability of the system.

7 Q. Okay. Well, I appreciate that you would  
8 offer these collaboratives, but pardon me for being a  
9 little bit cynical. I want to know if there is any  
10 way that Rhythms can make SBC offer the kind of  
11 functionalities on the Alcatel letter or the kind of  
12 functionalities that they reference if you weren't  
13 willing to voluntarily agree to that under your  
14 proposal.

15 A. I don't think it would be right for

16 Rhythms to be able to make us do something, because  
17 that doesn't sound very collaborative. I guess to be  
18 kind of blunt, we don't regard a collaborative session  
  
19 as an automatic fulfillment of a wish list. We think  
20 of it as a trying to work together to see with the  
21 vendors even how can this equipment be modified or  
22 adapted or utilized in such a way to make it as

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1 feature rich as we can for all the players, for all  
2 the data CLECs to utilize. But, again, we don't want  
3 to make it a mandate situation because we think that  
4 could cause harm to the service of other users on the  
5 shared facility or effect the capacity of our  
6 investment.

7 Q. Okay. But if Project Pronto was  
8 available as UNEs, Rhythms could make you give us what  
  
9 we ask for if we could convince the Illinois  
10 Commission or the other Commission to do that, right?

11 A. You mean as a separate UNE, a different  
12 flavor of DSL?

13 Q. Yes, yes, and yes.

14 A. I suppose if there were a necessary and  
15 impair analysis performed that approved that that  
16 qualified as an unbundled network element under the  
17 Act, then I suppose subject to the things I am not  
18 going to talk about, but I suppose that could happen.

19 MR. BOWEN: That's all I have. Thank you  
20 very much. Thank you, Your Honor.

21 EXAMINER WOODS: Okay. Let's break. Off the  
22 record.

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1 (Whereupon there was then had  
2 an off-the-record  
3 discussion.)

4 EXAMINER WOODS: Back on the record. This  
5 cause is continued to October 17 at 10:00 a.m.

6 (Whereupon the hearing in this



7 matter was continued until  
8 October 17, 2000, at 10:00  
9 a.m. in Springfield,  
10 Illinois.)  
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1 STATE OF ILLINOIS     )  
                                  ) SS  
2 COUNTY OF SANGAMON    )

1                               BEFORE THE  
2                               ILLINOIS COMMERCE COMMISSION

3   ILLINOIS BELL TELEPHONE COMPANY    ) DOCKET NO.  
  )   00-0393  
4   Proposed implementation of High    )  
  Frequency Portion of Loop (HFPL)/   )  
5   Line Sharing Service.               )

6                               Springfield, Illinois  
                                  October 17, 2000

7  
8               Met, pursuant to agreement, at 10:00 A.M.

9               BEFORE:

10              MR. DONALD L. WOODS, Examiner

11              APPEARANCES:

12              MR. CHRISTIAN F. BINNIG  
13              MS. KARA K. GIBNEY  
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19                               (Appearing on behalf of Ameritech  
                                  Illinois)

20              SULLIVAN REPORTING COMPANY, by  
                  Cheryl A. Davis, Reporter, #084-001662

21 Julie L. Bloome, Reporter, #084-003524  
Jami C. Tepker, Reporter, #084-003591  
22 Carla J. Boehl, Reporter, #084-002710

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1 APPEARANCES: (Cont'd)

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10-17 pp 356-482 00-0393  
16 Chicago, Illinois 60601  
17 (Appearing on behalf of the Staff of the  
18 Illinois Commerce Commission)  
19 MR. KENNETH A. SCHIFMAN  
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21 Kansas City, Missouri 64114  
22 (Appearing on behalf of Sprint  
Communications Company L.P.)

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1 APPEARANCES: (Cont'd)  
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5 (Appearing on behalf of Rhythms Links,  
6 Inc.)  
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1	I N D E X			
2	WITNESSES	DIRECT	CROSS REDIRECT RECROSS	
3	JOHN P. LUBE			
	By Mr. Schiffman	361		
4	By Mr. Binnig		390/429	
	By Examiner Woods			401
5	By Mr. Bowen			404

6	MARY ELIZABETH SCHLACKMAN			
	By Mr. Pabian	432	591/597	
7	By Mr. Schiffman	440		598
	By Ms. Hamill	456		
8	By Mr. Bowen	483		596/604
	By Mr. Harvey	582		
9	By Examiner Woods	582		594
10	STEVEN TURNER			
	By Ms. Hamill	609	657	
11	By Mr. Binnig	615		658
12	JAMES D. DUNBAR, JR.			
	By Mr. Schiffman	660		
13	By Mr. Pabian	663		
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I N D E X

2

EXHIBITS

MARKED

ADMITTED

3

Rhythms Cross Smallwood 7

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Ameritech Illinois 1.0 (Schlackman)

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Ameritech Illinois 1.1 (Schlackman)

439

Ameritech Illinois 1.2 (Schlackman)

440

5

AT&T Schlackman Cross 1.0

480

480

Rhythms Lube Cross 1

482

6

AT&T 1.0 and 2.0

608

Ameritech Illinois Turner Cross 1

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1 PROCEEDINGS

2 EXAMINER WOODS: We're back on the record with  
3 Mr. Lube. It's my understanding that Mr. Schiffman  
4 is next with his cross-examination.

5 JOHN P. LUBE  
6 called as a witness on behalf of Ameritech Illinois,  
7 having been previously duly sworn, was examined and  
8 testified further as follows:

9 CROSS EXAMINATION

10 BY MR. SCHIFMAN:

11 Q. Good morning, Mr. Lube. Ken Schiffman on  
12 behalf of Sprint.

13 A. Good morning.

14 Q. Mr. Lube, I've got a few questions today  
15 about Project Pronto deployment. What is the status  
16 of Pronto deployment in Illinois?

17 A. My understanding for Illinois is that some  
18 of the RTs have been configured or built out. I  
19 don't have a quantity of how many, and that the



20 central office OCDs we're hoping to have installed  
21 or to begin to be installed within the next month or  
22 so.

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1 Q. So when will the Broadband Service  
2 offering that you describe in your testimony be  
3 available to CLECs in the State of Illinois?

4 A. My guess would be that as soon as we have  
5 a central office equipped with an OCD, that for the  
6 remote terminals that are served by that central  
7 office, that service could or orders for service  
8 could begin to be taken almost right away. A CLEC,  
9 as I understand it though, would have to have an  
10 interim agreement at least with Ameritech Illinois  
11 to do that, and I think Ms. Chapman could probably  
12 address that in further detail, if you need that.

13 Q. You don't have a date for us, for when  
14 that could occur?

15           A.     Not a specific date. It would be on a  
16     central-office-by-central-office and RT-by-RT basis.  
17     It's not a flashcut where the entire network for  
18     Illinois would be in place at one time.

19           Q.     When is the first one scheduled to be  
20     done?

21           A.     Well, my understanding is we're trying to  
22     get the central office equipment installations to

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1     begin within the next month or so, as I said just a  
2     little while ago, but I don't have a specific date.

3           Q.     And then if a CLEC signs the appropriate  
4     agreements according to Ameritech, then orders can  
5     be taken immediately and service deployed as soon as  
6     the equipment is deployed? Is that correct?

7           A.     That is my understanding, but, as I  
8     mentioned, Ms. Chapman could probably confirm that  
9     for you to be totally sure.

10 Q. And how much of the Ameritech network in  
11 the State of Illinois will there be a Project Pronto  
12 overlay?

13 A. I don't actually have a statistic for  
14 that, Mr. Schiffman.

15 Q. Do you have any type of estimate of  
16 percentage of overlay network?

17 A. No. I have seen some figures, but I  
18 cannot recall any of them right now for this state.

19 Q. Just urban areas or urban and suburban  
20 areas? Do you have any feel for deployment in that  
21 way of cutting it up?

22 A. Well, I really don't recall. I mean my

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1 assumption would be that there would be urban areas  
2 included and I suspect some suburban areas where  
3 there would be a demand for those kinds of services  
4 for sure.

5           Q.     Mr. Lube, the loops from the remote  
6 terminals are all less than 12,000 feet in the  
7 Project Pronto environment. Is that correct?

8           A.     That's the goal, the engineering goal for  
9 that.

10          Q.     Okay, and no loop conditioning is ever  
11 needed on loops less than 12,000 feet. Is that  
12 correct?

13          A.     It should not be. In other words, if  
14 you're looking at loops that are that short, you  
15 know, copper loops that are that short, they would  
16 not require loading. The only thing I might mention  
17 is you have to realize that some of the Pronto RTs  
18 are being placed pretty far out in the network from  
19 the central office, and some of the copper  
20 facilities that are out there in that plant are  
21 loaded today. Now if we're going out and  
22 interfacing that plant for the first time and

1 placing a Pronto RT to serve those customers, again,  
2 there should be no loads even in that design. I  
3 guess there are perhaps rare instances where one  
4 might exist, but there shouldn't be any.

5 Q. Okay. But if there is an instance where  
6 that exists, Ameritech doesn't plan on charging its  
7 affiliate, AADS, or any other CLEC for the  
8 conditioning of those loops. Is that correct?

9 A. Well, as has been explained in the  
10 collaborative sessions that we've had going on with  
11 the CLECs at large for the Pronto deployment and  
12 using the Pronto Broadband Service, we have said  
13 that we're looking at that. There's not really been  
14 -- to my recollection right now, there's not been a  
15 final determination made on that.

16 Q. But your cost studies and your tariff in  
17 this case for loops less than 12,000 feet it's zero  
18 charge for the CLECs for conditioning. Do you  
19 understand that to be the case?

20 A. I understand that to be the case; from  
21 zero to 12,000 feet from the central office is what  
22 I understand to be the case.

1           Q.     Not zero to 12,000 feet from a remote  
2 terminal? Is that the distinction you're drawing?

3           A.     Well, that is the distinction I'm drawing  
4 because even prior to the deployment of Project  
5 Pronto or even prior to the announcement of Project  
6 Pronto we had already stated and developed costs on  
7 the basis of -- or actually not charged or said we  
8 would not charge for out to 12,000 feet from the  
9 central office, so that was a preexisting  
10 commitment, if you will.

11                     Under Project Pronto, since, you know,  
12 those copper loops beyond the RT are suppose to be  
13 12,000 feet or less, we are looking at whether --  
14 and, again, the status that I know as of today is  
15 that we're still looking at that and have not made a  
16 final determination. We believe it would be  
17 extremely rare, I might add, but that's the status  
18 as I understand it today.

19 Q. Okay. And you acknowledge that -- in your  
20 testimony you describe some options that CLECs can  
21 have if they do not want to take advantage of the  
22 Broadband Service offering, the options being other

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1 things that CLECs can do for line sharing. Is that  
2 correct?

3 A. I do have some of that in my testimony.  
4 That's correct.

5 Q. Okay. And one of those things is a CLEC  
6 can just use the existing copper loop plant and do  
7 line sharing over the existing copper loop plant.  
8 Is that correct?

9 A. That's correct.

10 Q. Okay. And you acknowledge that Ameritech  
11 has proposed here in its tariff to charge CLECs for  
12 conditioning of loops where load coils or repeaters  
13 or bridged taps do appear. Is that correct?

14       A.     I'm actually not sponsoring that aspect of  
15 the tariff. I'm just, you know, I guess --

16       Q.     But do you have knowledge of that?

17       A.     -- covering subjects that --

18       A.     I'm sorry. I did not mean to interrupt  
19 you. I apologize. My question is do you have  
20 knowledge that Ameritech is charging CLECs for  
21 conditioning of loops over 12,000 feet in this case?

22       A.     I have knowledge that that is the proposal

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1     for this case.

2       Q.     I believe Ms. Schlackman has some  
3 testimony about not all Project Pronto digital loop  
4 carriers will be Next Generation Digital Loop  
5 Carriers. Is that your understanding as well?

6       A.     Can you repeat that, please?

7       Q.     Okay.

8       A.     Or can you point to her testimony?



9           Q.     Sure. I don't know if I have it. Well,  
10 let me just ask you this question. Will all Project  
11 Pronto digital loop carriers be Next Generation  
12 Digital Loop Carriers?

13           A.     Yes.

14           Q.     Okay. And as opposed to uniform digital  
15 loop carriers, there will not be uniform digital  
16 employment in the Pronto deployment?

17           A.     I'm not familiar with uniform. There's a  
18 universal digital loop carrier.

19           Q.     I apologize; universal is what I meant to  
20 say.

21           A.     Some of the Project Pronto digital loop  
22 carrier or Next Generation Digital Loop Carrier will

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1 be provisioned in a universal DLC fashion. Some  
2 will be provisioned in an integrated fashion.

3           Q.     Could you explain the difference for the

4 Commission?

5       A.     Universal digital loop carrier simply  
6 means that you have a central office terminal at the  
7 central office where the individual customer  
8 services can be obtained directly, you know, one by  
9 one out of that system. If you're talking  
10 integrated digital loop carrier, in that instance  
11 the individual customer services go into a local  
12 switch on a high frequency basis, usually like a DS1  
13 basis, without having to actually be dropped down to  
14 individual customer by customer circuits.

15       Q.     So for the universal digital loop carrier  
16 is there a specified path from the customer premise  
17 to the switch?

18       A.     Well, as I explain, with universal digital  
19 loop carrier, once you reach the central office, the  
20 central office terminal equipment drops that  
21 individual customer off at the central office on a  
22 DS0 or like two-wire basis. You speak about a path

1 to the switch. That can then be cross-connected to  
2 a switch port to achieve a path to the switch.

3 Q. Okay, but from the central office to the  
4 customer's premise, is there a specified path when  
5 using universal digital loop carriers?

6 A. I'm not sure I understand your question or  
7 what you mean by a specified path.

8 Q. Over the loop that goes from the customer  
9 premise to the central office.

10 A. There is a path through the digital loop  
11 carrier system, if that's what you're referring to.

12 Q. From the customer premise to the digital  
13 loop carrier there's a specified path over a loop.  
14 Is that correct?

15 A. I'm sorry. Are you talking about the  
16 digital loop carrier in the central office or in the  
17 remote terminal?

18 Q. The remote terminal first.

19 A. Okay. For that piece of it there is a  
20 copper pair that goes from the customer's premises  
21 to the remote terminal equipment.

22 Q. Okay. And the universal digital loop

1 carrier, is that placed at the remote terminal or is  
2 that placed at the central office?

3 A. It's at both ends. You have terminal  
4 equipment at both ends.

5 Q. Okay. Is there a specified path now from  
6 the remote terminal to the central office?

7 A. Yes, there is a path that's through that  
8 system.

9 Q. Okay.

10 Mr. Lube, I understand Ameritech's  
11 position in this case to be that they don't want the  
12 Project Pronto service to be an unbundled network  
13 element. Is that correct?

14 A. Yes, sir, that's correct.

15 Q. Okay. Why does Ameritech not want it to  
16 be an unbundled network element? I want to take  
17 aside any of the technical questions that you've

18 raised earlier in your testimony that you gave  
19 yesterday. I just want from a regulatory/marketing  
20 perspective, why does Ameritech not want that to be  
21 an unbundled network element?

22 A. Okay. There are several parts to be

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1 answered in your question. First of all, I cannot  
2 give you a perspective from a market -- or I cannot  
3 give you a marketing perspective for that.  
4 Ms. Chapman could help you with that.

5 From a regulatory perspective, and, of  
6 course, I represent the network organization, but I  
7 believe that from a regulatory perspective that this  
8 platform is not required to be unbundled by the  
9 FCC's unbundling rules, and, of course, as I  
10 described yesterday, I do believe that there are  
11 technical reasons as well why it cannot be  
12 unbundled.

13 Q. Okay. Assume that --

14 EXAMINER WOODS: Why it cannot be or why it  
15 should not be?

16 A. Well, I believe that the technical reasons  
17 show that it cannot be unbundled, not in the manner  
18 that unbundled network elements are typically  
19 unbundled. As I explain in my rebuttal testimony,  
20 Your Honor, it's very -- the way that a service is  
21 provided to the DSL part of this platform is very  
22 different from the way that an unbundled high

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1 capacity loop operates or very different from the  
2 way that unbundled dedicated transport operates, so  
3 in that sense it's my position that this platform --  
4 the DSL part of this platform cannot be unbundled.  
5 I do also, as I said, believe that it is not  
6 required to be unbundled, based on the FCC's  
7 unbundling rules.

8           Q.     Assume the Commission here says,  
9     Ameritech, unbundle the Project Pronto offering.  
10    What is Ameritech's response going to be?

11           A.     Well, we did discuss this some yesterday,  
12    and, as I responded yesterday, the -- I just had a  
13    mental block, if you'll excuse me. Can you repeat  
14    the question?

15           Q.     Sure. Can you read it back, please,  
16    Cheryl?

17                               (Whereupon the requested  
18                               portion of the record was read  
19                               back by the Court Reporter.)

20           A.     Okay. Thank you very much.

21                       As I mentioned yesterday, the Commission  
22    is allowed to look at unbundling network elements.

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1    If the FCC has already addressed a particular  
2    network element, it's my position -- I'm sorry. Let

3 me back up.

4           If the FCC has addressed a particular  
5 network element and has specifically found that that  
6 particular network element is not required to be  
7 unbundled, I do not believe it would be necessary or  
8 appropriate or productive for this Commission to  
9 find otherwise. If the FCC has not yet addressed a  
10 particular network element, I believe this  
11 Commission is allowed to look at that. I believe it  
12 requires a necessary and impairment analysis to be  
13 performed to see whether that network element is  
14 required to be unbundled, but, in addition to that,  
15 the unbundling obligations that Ameritech Illinois  
16 has are for its existing network, and, you know, I  
17 guess to the extent that there is technology that's  
18 not in Ameritech's network, and I'm giving you a  
19 more general answer to your question, if there's  
20 technology that's not even a part of Ameritech's  
21 network, I believe it would be inappropriate for  
22 this Commission to require unbundling of that type



1 of equipment or network element.

2 Q. Okay. Thanks for your answer. My  
3 question is, assume the Commission has done all the  
4 analysis that you just discussed and the Commission  
5 says, Ameritech, unbundle the Project Pronto  
6 architecture; we want you to provide what you're now  
7 calling the wholesale broadband offering on an  
8 unbundled basis. What is Ameritech's response going  
9 to be?

10 A. Well, as I described several times  
11 yesterday, if this Commission reaches that  
12 conclusion, subject to any appeal that SBC might  
13 deem necessary, then Ameritech Illinois would follow  
14 this Commission's order.

15 Q. Mr. Lube, is there a difference in the  
16 speed that can be achieved for Internet connections  
17 or high speed data connections between the Project  
18 Pronto architecture and a copper loop line shared  
19 architecture?

20 A. The speeds that you can achieve on a  
21 copper loop are directly related to the length of

22    that copper loop and other transmission

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1    characteristics, like how much bridged tap is  
2    remaining on that physical or copper loop. In  
3    Project Pronto the only copper that you have, of  
4    course, is from the remote terminal out to the end  
5    user's premises, so I guess part of the answer to  
6    your question would be if you're referring to copper  
7    loops that are less than 12,000 feet out of the  
8    central office, then it would be my position there  
9    would be no difference in the speed capabilities.  
10   If you're talking about all copper loops -- I mean  
11   copper loops that are -- entire loops that are all  
12   copper, excuse me, that are beyond 12,000 feet, yes,  
13   depending on the condition of the copper loop, there  
14   could be some speed differences.

15        Q.    Okay. And, for example, there's a  
16   distance limitation for a particular gauge of copper

17 loop. Is that correct?

18 A. Sure.

19 Q. 24 gauge versus 26 gauge?

20 A. Yes. That would be correct.

21 Q. Okay, and what is your knowledge of those  
22 limitations or do you have any notion of what that

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1 is?

2 A. Your question is not real specific about  
3 if you're talking about a certain speed of service.  
4 Can you help clarify?

5 Q. Well, how many bits upstream and  
6 downstream?

7 A. For what length of loop?

8 Q. For a 15,000 foot copper loop.

9 A. Okay. I don't have specific numbers that  
10 would work on a 15,000 foot. My understanding, if I  
11 recall the numbers correctly, ADSL, for example, I

12 believe at 18,000 feet I believe it -- and this is  
13 subject to check because I don't remember all the  
14 different combinations and -- because there's  
15 different speeds for different lengths for different  
16 types of DSL because they operate in different  
17 frequencies, but it seems like you can -- I honestly  
18 can't remember at 15,000 feet what it would be. I  
19 think at 12,000 feet you can go 1.544 megabit. No,  
20 actually I think that may be the 18,000 feet. I'm  
21 just really not sure.

22 Q. Okay. Nonetheless, Mr. Lube, just so we

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1 get this clear on the record, for the Project Pronto  
2 architecture, loops are going to be engineered to be  
3 12,000 feet or less. Is that correct?

4 A. That's correct.

5 Q. Okay. And one of the options you're  
6 giving CLECs if they don't want to buy the broadband

7 offering from Ameritech is go ahead and use the  
8 existing copper plant. We've gone over that  
9 previously. Right?

10 A. Yes, but the way we're characterizing that  
11 is if Project Pronto had never been deployed in the  
12 first place, the all copper loop was one of the  
13 options that was already available to the CLECs.  
14 All we're saying about this is where we have  
15 deployed Project Pronto, we have not taken that  
16 choice away from you if you want it. It's not like  
17 you're being relegated to use copper if you don't  
18 want to use the Broadband Service. That copper was  
19 all that was there that you could use prior to the  
20 Broadband Service.

21 Q. I understand. I understand, and I think  
22 my client understands the offer that you're making,

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1 but there can be -- you'll acknowledge that there

2 can be speed differences if a CLEC does not take  
3 advantage of the Broadband Service offering and is  
4 buying a loop, a copper loop from Ameritech that's  
5 over 12,000 feet, there is likely to be a difference  
6 in speed of service, bit rate delivery, that the  
7 CLEC can obtain by using the all copper loop as  
8 opposed to if it buys the Broadband Service  
9 offering. Is that correct?

10 A. Yes. At certain lengths there definitely  
11 could be a maximum speed that you'd get on the  
12 copper, although I can't remember what those  
13 specific speeds are right now.

14 Q. Okay, and just to be crystal clear here,  
15 the maximum speed for an all copper loop that's over  
16 12,000 feet is lower than the maximum speed for the  
17 Project Pronto Broadband Service offering. Is that  
18 right?

19 A. I would imagine that's probably true just  
20 because of the fact that with Pronto, copper won't  
21 be longer than 12,000 feet, and if you're talking  
22 about a physical loop that is longer than 12,000

1 feet, then there should be a difference in speed.

2 Q. Mr. Lube, do you know, has Ameritech asked  
3 CLECs if the Broadband Service offering meets their  
4 needs?

5 A. I don't know what communication or all the  
6 communication that's existed between the wholesale  
7 marketing organization and the CLECs. I know we  
8 have had some pretty intense collaborative sessions  
9 with numerous CLECs where they have told us a lot of  
10 things that they would like to have.

11 Q. Has Ameritech asked AADS if the Broadband  
12 Service offering meets its needs?

13 A. If it has done that, it has done that in  
14 the same manner that it has done so with the other  
15 CLECs to these collaborative sessions, these  
16 collaborative sessions that are held simultaneously  
17 with all of the CLECs.

18 Q. I presume Ameritech plans on selling the  
19 Broadband Service offering to AADS. Is that  
20 correct?

21           A.     I believe Ameritech would hope to, as it  
22 would hope to with every other CLEC.

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1           Q.     Has Ameritech obtained any forecasts from  
2 AADS about take rates of its offering?

3           A.     None to my knowledge, and I would be  
4 surprised if they would have given us that type of  
5 information at this -- or -- yeah, I'd be surprised  
6 if they would give us that.

7           Q.     Mr. Lube, you've described the Broadband  
8 offering as an end-to-end service. Is that correct?  
9 A whole service?

10          A.     Yes, that's correct.

11          Q.     Okay. Let me see if you agree with this  
12 statement from the FCC's Project Pronto Order.  
13 Okay? You're familiar with the Project Pronto Order  
14 that gave the waiver to SBC to own certain  
15 equipment, right?



16 A. I am familiar with the order, yes.

17 Q. Okay.

18 MR. SCHIFMAN: Off the record.

19 (Whereupon at this point in  
20 the proceedings an  
21 off-the-record discussion  
22 transpired.)

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1 A. Did you want me to read that or were you  
2 going to read it?

3 Q. No, I'll read it, and I'll ask you if you  
4 agree with it. The first sentence --

5 EXAMINER WOODS: Can we get the reference  
6 please, paragraph reference?

7 MR. SCHIFMAN: Yes. Paragraph 30 of the FCC's  
8 what we've been calling here the Project Pronto  
9 Order. It's the Second Memorandum Opinion and Order  
10 in CC Docket 98-141.

11 EXAMINER WOODS: Thank you.

12 Q. Now I'm going to paragraph 30. The first  
13 sentence there says, "The heart of SBC's original  
14 proposal is its Broadband offering, which is a  
15 combination of network elements provided as a  
16 wholesale arrangement." Do you agree with the FCC's  
17 characterization of the Broadband offering as a  
18 combination of network elements?

19 A. In the type of terminology the FCC uses to  
20 describe plant or to describe the network, yes, I  
21 would agree that it is a combination of network  
22 elements or components or any other synonym that

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1 would mean the same thing.

2 Q. Okay, and do you agree that the way a CLEC  
3 -- well, first of all -- strike that.

4 Do you have any knowledge of how a CLEC is  
5 going to order the Broadband offering from SBC